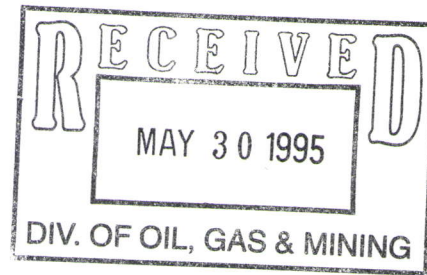




May 23, 1995



State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Ut 84180-1203

Att: Tony Gallegos

Re: Plan Review, Diamond K Gypsum, DKG Quarry (B&J Placer Claims), M/015/041 (UTU-69860), Emery County, Utah

Dear Tony:

This letter is to address the concerns you had in your letter, dated February 8, 1995.

106.5 Existing soil types, location, amount:

Soil testing was completed and a lab report from Utah State University is enclosed, which should address the concerns of yourself and also Lynn Kunzler. There are two testings. One at 4" and one at 8", as requested.

106.6 Plan for protecting & redepositing soils:

We would like you to recommend the necessary fertilizer after examination of the testing reports and we agree to fertilize with the recommendation by DGOM and BLM.

106.8 Depth to groundwater, extent of overburden, geology:

Elevation of ground water is unknown, however, in mining 20 feet, we have not encountered water. The depth to the local and/or regional aquifer is approximately 220 feet to top of the Navajo Sand Stone Aquifer.

109.4 Slope stability, erosion control, air quality, safety:

Application to Utah Department of Environmental Quality, Divisions of Water Quality and Air Quality are being filed at the same time as the application for the new mill facility which is in the process of being built soon. Appropriate applications for both the quarry and the mill will be processed within the next month.



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M/015/041
May 23, 1995

R647-4-110 - Reclamation Plan

110.2 Roads, highwalls, slopes drainages, pits, etc. reclaimed

We agree to the summary description of the reclamation plan.

110.5 Revegetation planting program:

There is an uncertainty as to the recommended seed mix. Therefore, we are currently experimenting with a seed mix that we could alternatively use. When the growth is completed we will update you on this. Some are growing, some are not, and we want to be sure of the right mixture before we report it to you.

R647-4-113 - Surety

As per our many telephone discussions, I think we have agreed that the bond which is now in place and in the name of Emery County will remain as such and the additional \$19,400 needed to satisfy the needs of the disturbed are will be in the form of a Line of Credit. That should be issued within the next few weeks on the proper forms you have previously sent to us. However, if you have any questions about this, Doug Dennis of Key Bank, said that you could call him and he would verify this to you. His telephone number is 801-625-4616.

We certainly appreciate the close working relationship and the useful information you provide us per telephone calls. It is a pleasure to work with pleasant and informative people, such as yourself.

If there are any further questions, please let me know. I realize we will still have a few things to address.

Sincerely,

A handwritten signature in cursive script that reads "Karen Palmer".

Karen Palmer
Diamond K Gypsum

cc: Neil Simmons, Blm San Rafael RA
John Welsh, Owner of claims

Soil Test Report
and
Fertilizer Recommendation

Soil Testing Lab

Utah State University
Logan, Utah 84322-4830
(801) 797-2217
(801) 797-2117 (FAX)

Date Received: 4/14/95
Date Completed: 4/26/95

Name: Diamond K Gypsum
Address: 234 North 500 West

Richfield, Utah 84701

County: Emery

Lab Number: 95010647

Identification: 1 4"

Crop to be Grown:

Soil Test Results		Interpretation	Recommendations
Texture	Loam		
Lime	++	Normal	
pH	7.6	Normal	
Salinity - ECe mmhos/cm	2.8	Normal	
Phosphorus - P ppm	9.5	Low	20-40 P2O5, lbs/A
Potassium - K ppm	100	Adequate	80-120 K2O, lbs/A
Nitrate-Nitrogen - N ppm	3.5	Low	N, lbs/A
Zinc - Zn ppm			Zinc, lbs/A
Iron - Fe ppm			
Copper - Cu ppm			
Manganese - Mn ppm			
Sulfate-Sulfur - S ppm			S, lbs/A

Notes

%Total Nitrogen = .095
CEC (meq/100g) = 8.0

*If you require recommendations, please
contact the lab.*

**Soil Test Report
and
Fertilizer Recommendation**

Soil Testing Lab

Utah State University
Logan, Utah 84322-4830
(801) 797-2217
(801) 797-2117 (FAX)

Date Received: 4/14/95
Date Completed: 4/26/95

Name: Diamond K Gypsum
Address: 234 North 500 West

Richfield, Utah 84701

County: Emery

Lab Number: 95010648

Identification: 2 8"

Crop to be Grown:

Soil Test Results		Interpretation	Recommendations
Texture	Loam		
Lime	++	Normal	
pH	7.4	Normal	
Salinity - ECe mmhos/cm	2.7	Normal	
Phosphorus - P ppm	3.7	Very Low	50-70 P ₂ O ₅ , lbs/A
Potassium - K ppm	66	Low	140-180 K ₂ O, lbs/A
Nitrate-Nitrogen - N ppm	3.1	<i>Low</i>	N, lbs/A
Zinc - Zn ppm			Zinc, lbs/A
Iron - Fe ppm			
Copper - Cu ppm			
Manganese - Mn ppm			
Sulfate-Sulfur - S ppm			S, lbs/A

Notes

%Total Nitrogen = .060
CEC (meq/100g) = 6.0